

# The Gazette of India

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### LOK SABHA

The following Bills were introduced in Lok Sabha on the 26th April, 1958:

\*BILL No. 56 OF 1958

*A Bill further to amend the Indian Stamp Act, 1899.*

Be it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Stamp (Amendment) Act, 1958. Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2 of 1899. 2. In clause (a) of section 11 of the Indian Stamp Act, 1899 (hereinafter referred to as the principal Act), for the words "with the duty of one anna or half an anna", the words "with a duty not exceeding ten naye paise" shall be substituted. Amendment of section 11.

3. In sub-section (1) of section 31 of the principal Act, for the words "eight annas", the words "fifty naye paise" shall be substituted. Amendment of section 31.

13 4. In sub-section (3) of section 32 of the principal Act, in clause (c) of the proviso, for the words "with the duty of one anna or half an anna", the words "with a duty not exceeding ten naye paise" shall be substituted. Amendment of section 32.

20 5. In section 34 of the principal Act, for the words "with a duty of one anna", the words "with a duty not exceeding ten naye paise" shall be substituted. Amendment of section 34.

\*The President has, in pursuance of clause (1) of article 117 of the Constitution of India, recommended to Lok Sabha, the introduction of the Bill.

Amendment  
of sections  
35, 40 and 41.

6. In clause (a) of the proviso to section 35, sub-section (1) of section 40 and section 41 of the principal Act, for the words "with a duty of one anna or half an anna" wherever they occur, the words "with a duty not exceeding ten naye paise" shall be substituted.

Amendment  
of section 47.

7. In section 47 of the principal Act, for the words "with the duty of one anna", the words "with a duty not exceeding ten naye paise" shall be substituted.

Amendment  
of sections 53  
and 54.

8. In clause (c) of section 53 and section 54 of the principal Act, for the words "one anna" wherever they occur, the words "ten naye paise" shall be substituted.

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Insertion of  
new section  
54A.

9. After section 54 of the principal Act, the following section shall be inserted, namely:—

Allowances  
for stamps  
in denomi-  
nations of  
annas.

"54A. Notwithstanding anything contained in section 54, when any person is possessed of a stamp or stamps in any denominations, other than in denominations of annas four or multiples thereof and such stamp or stamps has or have not been spoiled, the Collector shall repay to such person the value of such stamp or stamps in money calculated in accordance with the provisions of sub-section (2) of section 14 of the Indian Coinage Act, 1906, upon such person delivering up, within six months from the commencement of the Indian Stamp (Amendment) Act, 1958, such stamp or stamps to the Collector."

20 3 of 1906.

Amendment  
of sections  
69 and 74.

10. In clause (b) of section 69 and the proviso to section 74, for the words "one anna or half an anna" wherever they occur, the words "ten naye paise or five naye paise" shall be substituted.

Insertion of  
new section  
77A.

11. After section 77 of the principal Act, the following section shall be inserted, namely:—

Saving as  
to certain  
stamps.

"77A. All stamps in denominations of annas four or multiples thereof shall be deemed to be stamps of the value of twenty-five naye paise or, as the case may be, multiples thereof and shall, accordingly, be valid for all the purposes of this Act."

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Amendment  
of section 78.

12. In section 78 of the principal Act, for the words "four annas", the words "twenty-five naye paise" shall be substituted.

Amendment  
of Schedule  
I.

13. In Schedule I to the principal Act, in entries 13, 14, 27, 37, 47, 49, 52, 53 and 62, for the words, letters and figures "half an anna", "one anna", "two annas", "three annas", "four annas", "six annas", "eight annas", "twelve annas" and "Rs. 2-8-0", wherever they occur, the words, letters and figures "five naye paise", "ten naye paise", "fifteen naye paise", "twenty naye paise", "twenty-five naye paise", "forty naye paise", "fifty naye paise", "seventy-five naye paise" and "Rs. 2.50", respectively, shall be substituted.

40

## STATEMENT OF OBJECTS AND REASONS

Consequent on the introduction of decimal system of coinage, it is considered desirable to amend the Indian Stamp Act, 1899 (2 of 1899), so as to express the rates of stamp-duty specified in the Act and Schedule I thereto in terms of decimal coinage. It is also observed that in some cases the exact equivalents of the existing rates of stamp-duty in terms of the new coinage involve fractions of *naya paise* which require to be rounded off. The Bill seeks to amend the existing rates of stamp-duty suitably in respect of the instruments specified in entry 91 of List I in the Seventh Schedule to the Constitution.

NEW DELHI;

MORARJI DESAI.

*The 11th April, 1958.*

## \*BILL NO. 55 OF 1958

*A Bill further to amend the Central Sales Tax Act, 1956.*

BE it enacted by Parliament in the Ninth Year of the Republic of India as follows:—

Short title  
and com-  
mencement.

1. (1) This Act may be called the Central Sales Tax (Second Amendment) Act, 1958.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment  
of section 2.

2. In section 2 of the Central Sales Tax Act, 1956 (hereinafter referred to as the principal Act),—

(i) in clause (a), the words “one or more” in sub-clause (ii), and the *Explanation* shall be omitted; 10

(ii) in clause (b), for the words “selling goods”, the words “buying or selling goods” shall be substituted;

(iii) in clause (d), after the words “does not include”, the word “newspapers” shall be inserted;

(iv) after clause (d), the following clause shall be inserted, namely:— 15

‘(dd) “place of business” includes a warehouse, godown or other place where a dealer stores his goods and any place where he keeps his books of accounts;’.

\*The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to Lok Sabha, the introduction and consideration of the Bill.

3. Section 6 of the principal Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

Amendment  
of section 6.

5 “(2) Notwithstanding anything contained in sub-section (1), where a sale in the course of inter-State trade or commerce of goods of the description referred to in sub-section (3) of section 8—

(a) has occasioned the movement of such goods from one State to another; or

10 (b) has been effected by a transfer of documents of title to such goods during their movement from one State to another;

any subsequent sale to a registered dealer during such movement effected by a transfer of documents of title to such goods shall not be subject to tax under this Act:

15 Provided that no such subsequent sale shall be exempt from tax under this sub-section unless the dealer effecting the sale furnishes to the prescribed authority in the prescribed manner a certificate duly filled and signed by the registered dealer from whom the goods were purchased, containing the prescribed particulars.”

4. In section 7 of the principal Act,—

Amendment  
of section 7.

(i) for sub-section (2), the following sub-section shall be substituted, namely:—

25 “(2) Any dealer liable to pay tax under the sales tax law of the appropriate State, or where there is no such law in force in the appropriate State or any part thereof, any dealer having a place of business in that State or part, as the case may be, may, notwithstanding that he is not  
30 liable to pay tax under this Act, apply for registration under this Act to the authority referred to in sub-section (1), and every such application shall contain such particulars as may be prescribed.

35 *Explanation.*—For the purposes of this sub-section, a dealer shall be deemed to be liable to pay tax under the sales tax law of the appropriate State notwithstanding

that under such law a sale or purchase made by him is exempt from tax or a refund or rebate of tax is admissible in respect thereof.”;

(ii). for sub-section (4), the following sub-section shall be substituted, namely:—

5

“(4) A certificate of registration granted under this section may—

(a) either on the application of the dealer to whom it has been granted, or, where no such application has been made, after due notice to the dealer, be amended 10 by the authority granting it if he is satisfied that by reason of the registered dealer having changed the name, place or nature of his business or the class or classes of goods in which he carries on business or for any other reason the certificate of registration granted 15 to him requires to be amended; or

(b) be cancelled by the authority granting it where he is satisfied, after due notice to the dealer to whom it has been granted, that he has ceased to carry on business or has ceased to exist, or in the case of a dealer 20 registered under sub-section (2) has ceased to be liable to pay tax under the sales tax law of the appropriate State or for any other sufficient reason.”.

Amendment  
of section 8.

5. For sub-sections (1), (2), (3) and (4) of section 8 of the principal Act, the following sub-sections shall be substituted, namely:— 25

‘(1) Every dealer, who in the course of inter-State trade or commerce—

(a) sells to the Government any goods; or

(b) sells to a registered dealer other than the Government goods of the description referred to in sub-section (3); 30 shall be liable to pay tax under this Act, which shall be one per cent. of his turnover.

(2) The tax payable by any dealer on his turnover in so far as the turnover or any part thereof relates to the sale of goods in the course of inter-State trade or commerce not falling within 35 sub-section (1) shall be—

(a) in the case of declared goods, calculated at the rate applicable to the sale or purchase of such goods inside the appropriate State; and

(b) in the case of goods other than declared goods, shall be calculated at the rate of seven per cent. or at the rate applicable to the sale or purchase of such goods inside the appropriate State, whichever is higher;

5 and for the purpose of making any such calculation any such dealer shall be deemed to be a dealer liable to pay tax under the sales tax law of the appropriate State, notwithstanding that he, in fact, may not be so liable under that law.

10 (2A) Notwithstanding anything contained in sub-section (1) or sub-section (2), if under the sales tax law of the appropriate State the sale or purchase, as the case may be, of any goods by a dealer is exempt from tax generally or is subject to tax generally at a rate which is lower than one per cent. (whether called a tax or fee or by any other name), the tax payable  
15 under this Act on his turnover in so far as the turnover or any part thereof relates to the sale of such goods shall be nil or, as the case may be, shall be calculated at the lower rate

20 *Explanation.*—For the purposes of this sub-section a sale or purchase of goods shall not be deemed to be exempt from tax generally under the sales tax law of the appropriate State if under that law it is exempt only in specified circumstances or under specified conditions or in relation to which the tax is levied at specified stages or otherwise than with reference to the turnover of the goods.

25 (3) The goods referred to in clause (b) of sub-section (1)—

30 (a) in the case of declared goods are goods of the class or classes specified in the certificate of registration of the registered dealer purchasing the goods as being intended for re-sale by him;

35 (b) in the case of goods other than declared goods are goods of the class or classes specified in the certificate of registration of the registered dealer purchasing the goods as being intended for re-sale by him or for use by him in the execution of any contract or, subject to any rules made by the Central Government in this behalf, for use by him in the manufacture or processing of goods for sale or in mining or in the generation or distribution of electricity or any other form of power;

40 (c) are containers or other materials specified in the certificate of registration of the registered dealer purchasing

the goods, being containers or materials intended for being used for the packing of goods for sale;

(d) are containers or other materials used for the packing of any goods or classes of goods specified in the certificate of registration referred to in clause (a) or clause (b) or for the packing of any containers or other materials specified in the certificate of registration referred to in clause (c). 5

*Explanation.*—For the purposes of this sub-section, “contract” means any agreement for carrying out for cash or deferred payment or other valuable consideration— 10

(i) the construction, fitting out, improvement or repair of any building, road, bridge or other immovable property; or

(ii) the installation or repair of any machinery affixed to any building or other immovable property. 15

(4) The provisions of sub-section (1) shall not apply to any sale in the course of inter-State trade or commerce unless the dealer selling the goods furnishes to the prescribed authority in the prescribed manner— 20

(a) a declaration duly filled and signed by the registered dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority; or

(b) if the goods are sold to the Government, not being a registered dealer, a certificate in the prescribed form duly filled and signed by a duly authorised officer of the Government. 25

Substitution  
of new section  
for section 9.

6. For section 9 of the principal Act, the following sections shall be substituted, namely:— 30

Levy and  
collection  
of tax and  
penalties.

“9. (1) The tax payable by any dealer under this Act on sales of goods effected by him in the course of inter-State trade or commerce [whether such sales fall within clause (a) or clause (b) of section 3] shall be levied and collected by the Government of India in the manner provided in sub-section (3) in the State from which the movement of the goods commenced: 35

Provided that, in the case of a sale of goods during their movement from one State to another being a sale subsequent to



the first sale in respect of the same goods, the tax shall, where such sale does not fall within sub-section (2) of section 6, be levied and collected in the State from which the registered dealer effecting the subsequent sale obtained the form prescribed for the purposes of clause (a) of sub-section (4) of section 8 in connection with the purchase of such goods.

(2) The penalty imposed upon any dealer under section 10A shall be collected by the Government of India in the manner provided in sub-section (3)—

(a) in the case of an offence falling under clause (b) or clause (d) of section 10, in the State in which the person purchasing the goods obtained the form prescribed for the purposes of clause (a) of sub-section (4) of section 8 in connection with the purchase of such goods;

(b) in the case of an offence falling under clause (c) of section 10, in the State in which the person purchasing the goods should have registered himself if the offence had not been committed.

(3) The authorities for the time being empowered to assess, collect and enforce payment of any tax under the general sales tax law of the appropriate State shall, on behalf of the Government of India and subject to any rules made under this Act, assess, collect and enforce payment of any tax, including any penalty, payable by a dealer under this Act in the same manner as the tax on the sale or purchase of goods under the general sales tax law of the State is assessed, paid and collected; and for this purpose they may exercise all or any of the powers they have under the general sales tax law of the State; and the provisions of such law, including provisions relating to returns, appeals, reviews, revisions, references, penalties and compounding of offences, shall apply accordingly:

Provided that if in any State or part thereof there is no general sales tax law in force, the Central Government may, by rules made in this behalf, make necessary provision for all or any of the matters specified in this sub-section, and such rules may provide that a breach of any rule shall be punishable with fine which may extend to five hundred rupees; and where the offence is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues.

(4) The proceeds in any financial year of any tax, including any penalty, levied and collected under this Act in any State

(other than a Union territory) on behalf of the Government of India shall be assigned to that State and shall be retained by it; and the proceeds attributable to Union territories shall form part of the Consolidated Fund of India.

Collection of  
tax to be  
only by  
registered  
dealers.

9A. No person who is not a registered dealer shall collect in respect of any sale by him of goods in the course of inter-State trade or commerce any amount by way of tax under this Act, and no registered dealer shall make any such collection except in accordance with this Act and the rules made thereunder."

Amendment  
of section 10.

7. In section 10 of the principal Act, after clause (e), the following clause shall be inserted, namely:—

"(f) collects any amount by way of tax in contravention of the provisions contained in section 9A;".

Insertion of  
new section  
10 A.

8. After section 10 of the principal Act, the following section shall be inserted, namely:—

15

Composition  
of penalty  
in lieu of  
prosecution.

"10A. If any person purchasing goods is guilty of an offence under clause (b) or clause (c) or clause (d) of section 10, the authority who granted to him or, as the case may be, is competent to grant to him a certificate of registration under this Act may, after giving him a reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one-and-a-half times the tax which would have been levied under this Act in respect of the sale to him of the goods if the offence had not been committed: 20

Provided that no prosecution for an offence under section 10 shall be instituted in respect of the same facts on which a penalty has been imposed under this section." 25

Amendment  
of section  
13.

9. In section 13 of the principal Act,—

(i) for clause (d) of sub-section (1), the following clauses shall be substituted, namely:—

30

"(d) the form in which and the particulars to be contained in any declaration or certificate to be given under this Act;

(e) the enumeration of goods or class of goods used in the manufacture or processing of goods for sale or in mining or in the generation or distribution of electricity or any other form of power; 35

(f) the matters in respect of which provision may be made under the proviso to sub-section (3) of section 9;

(g) the fees payable in respect of applications for registration under this Act.”;

5 (ii) in sub-section (4),—

(a) in clause (e), for the words “the authority from which”, the words “the authority from whom, the conditions subject to which and the fees subject to payment of which” shall be substituted;

10 (b) in clause (g), for the words “the authorities to which” and “the nature”, the words “the authorities to whom” and “the name, place or nature” shall respectively be substituted.

10. In section 14 of the principal Act,—

Amendment  
of section 14.

15 (i) for item (iia), the following items shall be substituted, namely:—

1 of 1944. “(iia) cotton fabrics as defined in Item No. 12 of the First Schedule to the Central Excises and Salt Act, 1944;

(iib) cotton yarn, but not including cotton yarn waste;”;

20 (ii) after item (vi), the following items shall be inserted, namely:—

1 of 1944. “(vii) rayon or artificial silk fabrics as defined in Item No. 12A of the First Schedule to the Central Excises and Salt Act, 1944;

25 (viii) sugar, as defined in Item No. 8 of the First Schedule to the Central Excises and Salt Act, 1944;

1 of 1944. (ix) tobacco, as defined in Item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944;

1 of 1944. 30 (x) woollen fabrics, as defined in item No. 12B of the First Schedule to the Central Excises and Salt Act, 1944.”

11. For section 15 of the principal Act, the following section shall be substituted, namely:—

Substitution  
of new sec-  
tion for sec-  
tion 15.

35 “15. Every sales tax law of a State shall, in so far as it imposes or authorises the imposition of a tax on the sale or purchase of declared goods, be subject to the following restrictions and conditions, namely:—

Restrictions  
and condi-  
tions in re-  
gard to tax  
on sale or  
purchase of  
declared  
goods within  
a State.

(a) the tax payable under that law in respect of any sale or purchase of such goods inside the State shall not

exceed two per cent. of the sale or purchase price thereof, and such tax shall not be levied at more than one stage;

(b) where a tax has been levied under that law in respect of the sale or purchase inside the State of any declared goods and such goods are sold in the course of inter-State trade or commerce, the tax so levied shall be refunded to such person in such manner and subject to such conditions as may be provided in any law in force in that State."

Repeal of  
section 7.  
Act 58 of  
1957.

12. Section 7 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957, is hereby repealed.

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## STATEMENT OF OBJECTS AND REASONS

The levy of tax on inter-State sales under the Central Sales Tax Act, 1956, commenced from the 1st July, 1957. Experience of the working of the Act has shown that it requires to be amended in certain respects. The Bill seeks to make the following amendments:—

(i) mining industries, electricity undertakings, etc., as registered dealers, will be enabled to purchase in inter-State trade prescribed goods at the concessional rate of tax;

(ii) the law at present provides for the taxation of all sales effected by a transfer of documents of title to the goods during a single movement from one State to another and also lays down that in respect of such sales the tax shall be collected in the States where the sales take place. Administrative difficulties have been experienced in fixing the place of a sale and there is also the rigour of multiple taxation of such sales of goods in a single movement. It is now proposed to avoid this multiple taxation and levy the tax only once at the first point during a single movement of goods from one State to another and also to fix the place of sale as being in the State from which the movement of goods commenced. If sales effected by a transfer of documents of title to the goods involve sales to an unregistered dealer, provision is being made whereby the State in which the place of business of the last registered dealer making the sale is situate will levy the tax;

(iii) the provisions relating to registration are being amended to make it clear that dealers in exempted goods also are entitled to get themselves registered;

(iv) on the unanimous suggestion of State Governments, it is being provided that all inter-State sales of goods made to Government (either Central or State) would be taxed at the concessional rates laid down in section 8(1) of the Act;

(v) the Union territories of Himachal Pradesh and Tripura have no local sales tax law. The amendments proposed will enable the Central Government, by rules, to provide a suitable machinery for the collection of Central sales tax;

(vi) under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957),—

(a) cotton fabrics, rayon and artificial silk fabrics and woollen fabrics,

(b) sugar, and

(c) tobacco,

as defined in Items 12, 12A, 12B, 8 and 9 of the First Schedule to the Central Excises and Salt Act, 1944 respectively, were declared as goods of special importance in inter-State trade or commerce. It is proposed to make section 14 of the Act self-contained, by including those three items also under the list of 'declared goods' defined in this Act. Section 7 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957, will consequently be repealed;

(vii) one of the conditions laid down in section 15 is that tax on declared goods shall be levied at the stage of last sale or purchase inside the State. Certain State Governments levy tax at the first point of purchase on some of the declared goods under their respective laws, and to accommodate their views it is proposed to leave with the States the option regarding the point of levy of tax on declared goods without in any way disturbing the scope of the present restrictions imposed by Parliament.

MORARJI DESAI.

NEW DELHI;  
*The 19th April, 1958.*

*Notes on clauses*

*Clause 2.*—Sub-clause (i) omits the *Explanation* to section 2(a) which defines “place of business” for the purpose of determining the place of sale. This is no longer necessary in view of the detailed provisions now being made in section 9 by clause 6.

Sub-clause (ii) enlarges the definition of “dealer” by including therein persons carrying on the business of purchasing goods in the course of inter-State trade or commerce.

Sub-clause (iii) amends the definition of “goods” by removing “newspapers” therefrom as no State can levy a tax on the sale of newspapers.

Sub-clause (iv) seeks to insert a new definition of “place of business” as including a warehouse, godown, etc.

*Clause 3.*—The proposed sub-section seeks to avoid multiple taxation on sales effected by a transfer of documents of title to goods in a single movement thereof from one State to another. In such cases the tax will be levied only once at the first point during such movement. This benefit will, however, be confined to sales to registered dealers only.

*Clause 4.*—Sub-clause (i) seeks to substitute for sub-section (2) a new sub-section providing for the registration of a dealer who has a place of business in a State where there is no local sales tax law. The *Explanation* to that sub-section is also being amended to make it clear that dealers in exempted goods also may get themselves registered under the Act as persons liable to pay tax although exempt for the time being.

Sub-clause (ii) seeks to substitute a new sub-section for sub-section (4) of section 7, the amendments made being of a procedural character.

*Clause 5.*—The amendments proposed will—

(a) entitle Government departments to purchase goods at the concessional rate of tax;

(b) ensure that in no circumstances a sale to an unregistered dealer or consumer is taxed at a rate lower than that applicable in the case of a sale to a registered dealer;

(c) enable the rate of tax to be determined in cases where the State rate is prescribed not with reference to the turnover but with respect to the quantity sold, e.g., petrol;

(d) enable rules being made prescribing the commodities used by a manufacturer, miner, etc., in his undertaking which would be entitled to the concessional rate of tax.

*Clause 6.*—Section 9 as proposed to be revised provides that the State which shall levy and collect the tax shall be the one from which the goods have been moved in the course of inter-State trade or commerce. In the case of a second or subsequent sale by a registered dealer to an unregistered dealer which will not be covered by sub-section (2) of section 6 as proposed to be amended by clause 3, tax will be levied and collected in the State where the registered dealer making the sale has his place of business. Power is also being taken by the Central Government to make rules for the purpose of providing for the assessment, collection and enforcement of payment of tax under the Act in any territory where there is no local sales tax law in force.

The proposed new section 9A provides that tax under the Act can be collected only by registered dealers.

*Clause 7.*—This amendment is consequential upon the insertion of new section 9A.

*Clause 8.*—The new section 10A seeks to provide for the imposition of a penalty in respect of the offences enumerated in clauses (b), (c) and (d) of section 10. Any penalty under this provision will be a bar to a prosecution on the same facts.

*Clause 9.*—The rule-making section (section 13) is sought to be amended suitably in consequence of the amendments proposed in the Bill.

*Clause 10.*—Section 14 of the Act is sought to be made self-contained by including within it (a) cotton fabrics, (b) rayon and artificial silk fabrics, (c) woollen fabrics, (d) sugar and (e) tobacco as defined in the First Schedule to the Central Excises and Salt Act, 1944, which were declared as goods of special importance in inter-State trade or commerce by section 7 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

*Clause 11.*—Section 15 is being revised so as to leave the discretion of the State Governments unfettered with respect to the levy of tax on declared goods at any stage under their local laws, the only



condition sought to be imposed being that if, under the local sales tax law, a tax is collected, provision is made in the law for the refund of such tax if the goods are sold in the course of inter-State trade or commerce. In such cases Central sales tax alone should be leviable. The State Governments are left free to lay down their own procedure for the making of such refunds.

*Clause 12.*—This amendment is consequential on the amendment proposed in clause 10.

## FINANCIAL MEMORANDUM

The scheme of the existing Act is to utilise the machinery in existence in the States for collecting the Central sales tax. This does not involve any expenditure from the Consolidated Fund of India. With respect to Union territories like Delhi, the Financial Memorandum attached to the Central Sales Tax Bill has already explained the financial implications. In States like Himachal Pradesh and Tripura, where there is no local sales tax law in force, a machinery may have to be devised whereby the Central sales tax may be collected. For this purpose a small staff may be required. As there is no appreciable volume of inter-State trade from these territories, the expenditure likely to be involved on this account may not exceed Rs. 25,000/- per annum.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 9 of the Bill seeks to enlarge the rule-making power of the Central Government to provide for—

(a) the form of declaration and certificates under the Act and the particulars to be contained therein;

(b) the goods or class of goods which are likely to be used by a manufacturer, miner, etc., in his undertaking in respect of which the concessional rate of tax should be leviable;

(c) the procedure for the levy and collection of tax in territories where there is no local sales tax law;

(d) the fees payable in respect of applications for registration; and

(e) the fees payable for obtaining a declaration form under sub-section (4) of section 8 and the conditions subject to which such declaration forms may be obtained.

Power has to be assumed by the Central Government for the purpose of specifying what goods or classes of goods are likely to be used by a manufacturer, miner, electricity undertakings, etc., as such specifications may have to be made from time to time. States like Tripura and Himachal Pradesh have at present no sales tax law. Provision has, therefore, to be made enabling the Central Government to make rules providing for the collection and enforcement of payment of tax under the Central law in these territories.

The rule-making power is of a normal character.

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M. N. KAUL,  
*Secretary.*

